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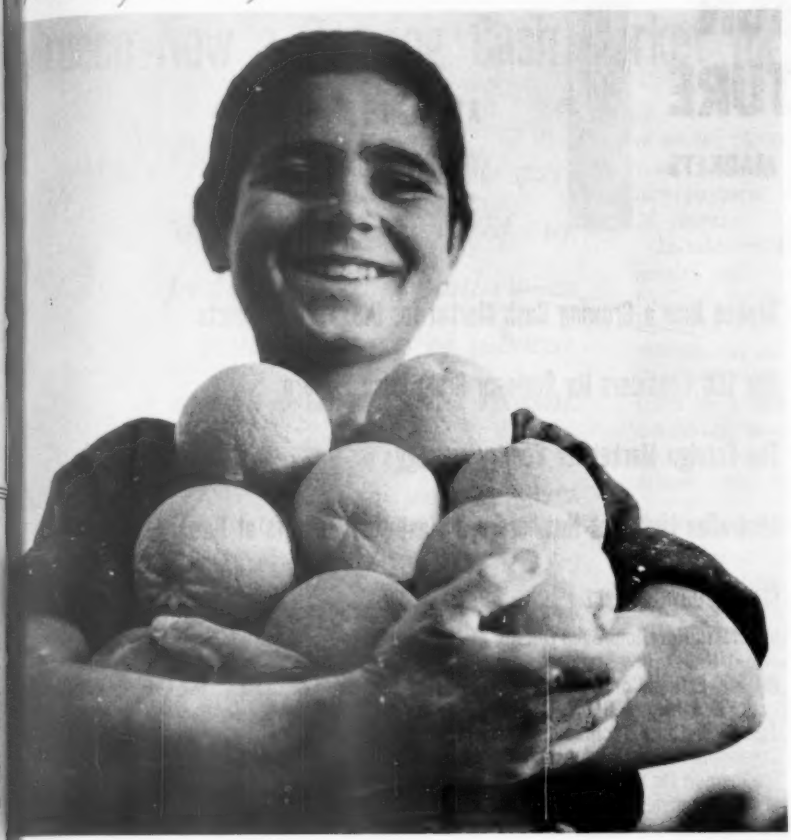

APRIL 19, 1965

GREECE GROWING AS MARKET FOR U.S. FARM PRODUCTS

EEC CONSIDERS REGIONAL GRAIN-PRICE PATTERN

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FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

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APRIL 19, 1965

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Proud Greek boy and his share of record 1964 orange crop. See article starting on opposite page. (Pictures from Greek Ministry of Agriculture.)

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Greece Now a Growing Cash Market for U.S. Farm Products

Its farm trade stars commercial imports of our feed grains and poultry—as well as exports of tobacco, cotton, oranges, and raisins.

By JOHN D. MOTZ
U.S. Agricultural Attaché, Athens

Up until this year, Greece has been a limited cash market for U.S. feed grains and other agricultural products. Most of its purchases over the past 10 years have been made under the foreign-currency-sales provision (Title I) of Public Law 480—except where agreements specified some cash sales as a safeguard to "usual marketings."

However, the signing on November 17, 1964, of a long-term credit agreement under Title IV of the act is proof of the steady improvement Greece has been making in its economic position; and this shift from Title I to Title IV should be regarded as a favorable intermediate stage in Greek-U.S. agricultural trade, looking toward "normal" commercial trading.

The new program is a 2-year one amounting to over $35 million (including ocean transportation). Most important category of commodities included for fiscal 1965 is feed grains: Corn, 175,000 metric tons; barley, 30,000; and grain sorghums, 15,000. Other items are 40,000 tons of wheat, 10,000 of soybean oil, and 2,000 of tallow; total value is nearly $19 million. Terms include a 25-percent downpayment, 3½ percent interest, and payment within 20 years.

In addition to these credit purchases, Greece agreed to import approximately $20 million worth of commodities for cash in fiscal 1965 and 1966, as "usual marketing" amounts. For 1965, these imports will total nearly $16 million and include corn, wheat, soybean oil, and tallow. This will represent a sizable increase in dollar purchases from the United States under free trade conditions. Also continuing in operation during 1965 is a Title I program covering smaller quantities of corn, soybean oil, and tallow, which brings the total to more than $40 million.

Emphasis on livestock products

The new Title IV program, stressing purchases of feed grains, payable in dollars, also reflects the new turn in Greece's agricultural policy (*Foreign Agriculture*, Dec. 21, 1964). The volume of agricultural production in 1964 was the largest in Greek history, with record crops of wheat, potatoes, tobacco, peaches, apricots, oranges, sugarbeets, and some minor items. But the country has reached the stage where mere volume of farm output is no longer the goal. Instead, the aim is increased productivity and a shift to preferred commodities, including those that will help improve the protein content of the Greek diet. Increase of income is creating a larger demand for high-protein foods, Greek per capita consumption of which is still at comparatively low levels.

Thus, the long-range agricultural plan calls for a considerable expansion of the livestock and poultry industry and for more feed grains to support it. The feeling in Greece is, however, that domestic feed-grain production cannot be expanded greatly; and, since prices of feed-grain imports from the United States are considerably lower

Above, experiment with hybrid corn production; at right, wheat. Wheat is now in surplus, but feed grain output is still inadequate and imports are necessary.

than domestic prices, the immediate prospect is good for Greece's continuing as a buyer of U.S. feed grains.

Currently, Greece is trying to fill the growing demand for livestock products through imports. It buys about the equivalent of 55,000 metric tons of meat, mostly frozen, from Argentina, Australia, and New Zealand; it also imports dairy products from Western Europe. In this trade, U.S. products have difficulty competing because of their higher landed cost.

Greece also imports a respectable volume of frozen poultry, despite the rapid development of its own poultry industry. The U.S. share of this market is large—about half—even though our poultry is higher priced than that of other suppliers like Bulgaria, Hungary, Poland, and Denmark. There is a lively demand for the U.S. product, based on the prevailing opinion that "American" is a synonym for "good quality." This idea explains the higher prices Greek customers are willing to pay, not only for U.S. frozen poultry but for other U.S. commodities as well. The maintenance and strengthening of this attitude should be considered a primary objective of any future market development program.

Tobacco still No. 1 export crop

Also among the preferred commodities stressed in the new agricultural plan are export crops. Greece must rely heavily on its exports of farm products for the foreign exchange it needs to finance essential imports.

One of these products, also exported by the United States, is tobacco. The oriental types of tobacco predominant in Greece's production do not compete directly with U.S. burley and Virginia exports; in fact, the United States itself is Greece's leading tobacco market. However, the use of oriental tobaccos in the "American" type of cigarette all over the world leads to some competition at times when favorable prices of oriental may encourage a relatively small substitution for American leaf. Another circumstance that may increase the percentage of oriental tobacco used in lieu of the U.S. types is the association of Greece with the Common Market and the trade privileges it gains thereby.

Total tobacco output in 1964 reached a new record. Long-range prospects for expanding the production and exports of oriental tobacco are not too favorable, principally because of increasing labor costs which could price it out of the market. Recently, however, Greece has started producing burley tobacco at a level beyond the experimental stage. Production in 1964 was expected to reach 3,500 metric tons, against 1,650 the year before. Although in quality Greece's burley is inferior to that of the United States, buyers in Europe—especially West Germany—do buy some Greek burley because of lower prices and the low duty on Greek tobacco (which will be reduced to zero in 1967). Further expansion of this crop could affect our burley market in Western Europe, particularly if Greece is able to up the quality of its burley.

Fruits a valuable export crop

Greece's citrus production, an important part of which is navel oranges, is growing by leaps and bounds. The 1964 orange crop, most recently estimated at 302,632 metric tons, was the highest ever—nearly 50 percent above that of 1963 (which was damaged by frost). Lemon and tangerine crops were also up, making the total citrus crop more than a third above that of the year before.

Today's Greeks send peaches to EEC markets by refrigerated freight (above); but they still dry figs (top) in the same way as in Homer's time.

Exports of citrus in the earlier months of the current season were sharply above those of the previous year. These exports, however, are largely the result of barter arrangements with the Communist countries of Europe, although this year Greece has been more successful in finding markets in Western Europe. The marketing problem could intensify in the future, for as more new plantings start bearing, orange production—largely the Washington navel variety—could double within 5 years.

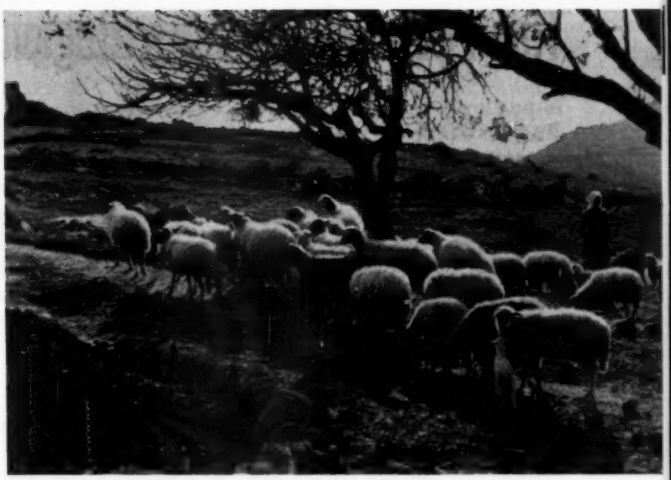
For the United States, Greek citrus presents little if any competition in Western Europe because of the difference in usual export seasons. Greek lemons and oranges are available only during the winter, while most U.S. lemon exports take place in the summer and U.S. oranges are seldom exported in volume during the Mediterranean exporting season.

Another fruit that helps Greece earn foreign exchange is raisins. Greek raisin production has varied widely in recent years but has shown an upward trend. Exports, too, are expanding and now provide increasing competition to California raisins in markets of Western Europe. Just above average in 1963-64, they are forecast at 68,000 tons in 1964-65—well above average, though not up to the record. Main buyer is Western Germany.

Greek cotton export outlook uncertain

Another product exported by both Greece and the United States is cotton. Latest crop estimates by the Hellenic Cotton Board indicate that the 1964 cotton crop

Burley tobacco (below) is a new and expanding crop in Greece, though production is still small. Price gives Greek burley some advantage in EEC.



On Greece's rocky hills (above), little grows but pasturage for goats, sheep, and some cattle; most crops are produced on the coastal plains.

(lint basis) was only 326,000 bales, against 428,000 in 1963. Area underwent a drastic decrease—nearly 40 percent. Because of this short crop, exports during the current season (Aug. 1-July 31) are not expected to exceed 180,000 bales, with Yugoslavia the largest single customer.

Encouragement of cotton production, with the objective of more cotton for export, has been a basic government policy for some years, and it was reaffirmed in the October plan. In the 4 years 1960-63, incentives were given in the form of subsidies for area planted, announced well in advance of the April-May planting season. In 1964, however, not until late September was a land subsidy set—retroactively—amounting to about $12 per acre for non-irrigated land and about $20 for irrigated land.

The next month, the government announced the same land subsidy for the 1965 crop. Although the subsidy level is considerably higher than those for 1960-63, farmers do not seem to feel that it compensates for the increasing cost of labor for picking, and they are asking for a security price on cotton such as the government has announced for nearly all other major crops. Mechanical picking seems to be the only solution to the labor problem. However, large-scale application of mechanical picking does not appear likely in the near future because of the small size of farm units and the changes that mechanization might require in cultivation practices.

From all indications, Greece may have considerable difficulty in maintaining the desired level of cotton production. Therefore, as domestic demand for cotton increases along with income, the country may find it difficult to service its home market and maintain exports.

Cotton vs. wheat

The poor 1964 cotton crop and the record 1964 crop of wheat are related, in that farmers planted wheat on a part of the irrigable area that normally would have been used for cotton. They apparently were confident that the traditional collection program for wheat—established back in the 1930's when Greece, like other European countries, was striving for self-sufficiency in grain—would be continued. Wheat acreage reached an alltime high, and favorable weather brought the largest crop in Greek history—2,170,000 metric tons, of which not less than 500,000 is in surplus.

The 1965 crop, however, should be smaller. In October 1964, the government announced (at the time of its statement on the new farm policy) that wheatgrowers would not be permitted to cultivate wheat on land located within irrigation network systems. However, the only control measure used was the removal of certain incentives: wheat-growers planning to cultivate in these areas were not financed by the Agricultural Bank with cultivation loans, fertilizers, seed, and the like. In exceptional instances, where a committee agreed that grain cultivation was essential for reasons of land leveling or crop rotation, farmers were urged to plant barley instead of wheat. As of mid-January, plantings for the 1965 crop were about 10 percent below those for 1964; and since rainfall has been below average, output will probably be lower.

What happened in 1964 with cotton and wheat might serve as an illustration of a basic problem in Greek agriculture—that of persuading farmers that it is in their interest to produce certain crops in preference to others. Sometimes, because of such factors as unusually favorable weather at planting time, small and scattered holdings, shortage of irrigation, or labor scarcity, farmers will choose to expand plantings of a crop not preferred under the Plan, even though this may present serious problems in marketing and distribution.

Thus it appears that the outlook for Greece's agricultural production and trade is a mixture of problems and possibilities. The future may see other years of overproduction in wheat; slackened progress in increasing cotton production; more difficulty in the foreign marketing of tobacco and oranges. Yet, as more emphasis is put on preferred crops and on the marketing and distribution of what is produced, there may well be improvements in the Greek diet and general level of living. To these improvements, increased cash purchases of U.S. products like feed grains and soybean oil could contribute.

The EEC Considers Its Regional Grain-Price Pattern

By ERNEST KOENIG
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When the European Economic Community's Council of Ministers agreed on common grain target prices on December 15 of last year, it also decided on guidelines for the application of these common prices in its Member Countries. These guidelines will help to determine the so-called regional intervention prices—that is, the minimum support prices in the various regions of the Member Countries. Only after these regional prices have been established will it be accurate to speak of common EEC grain prices and of a single EEC grain market.

The target prices agreed upon last December represent the price level to which EEC domestic grain prices may generally rise without being impaired by grain offers from countries outside the Community. These target prices determine two other prices also: the threshold price and the intervention price. The threshold price is the minimum import price at which third-country grain can enter the Community. The intervention price is the minimum support price at which the authorities must purchase the domestic grain offered on the market.

Problem of regional price relationships

The common threshold price is to apply uniformly at the frontier of the Community. The basic target and intervention prices are to be valid in Duisburg, which is considered the main market center of the Community's principal grain consumption zone. This zone, which includes parts of the Netherlands and of Belgium, the Ruhr, and large parts of the Rhineland, is as a whole also a net grain importer, whereas other big consumption areas in the EEC (for example, the regions of Paris of Munich) are net grain exporters.

The regional intervention prices that are to apply in the Community cannot be set at a uniform level, for in that case interregional and intra-Community trade would not be possible. If, for instance, the price of soft wheat were the same in the Duisburg deficit area and in Chartres, France (the center of one of the EEC's principal wheat surplus areas), Chartres wheat might be unsalable in Duisburg because the cost of transporting it from Chartres to Duisburg would push its price above the Duisburg price.

Changes in the original plan

Originally it was planned, therefore, to fix the regional intervention prices outside the Duisburg area at levels that would have differed from each other at various trading centers by the cost of transporting grain from these centers to Duisburg.

This system has now been partly abandoned—not only because it would have been inequitable in creating too large a spread between regional support prices (particularly in surplus zones distant from the main markets), but also because it would not have insured equal market outlets for all EEC producers. Now, the plan calls for basing regional intervention prices on the following general rules:

In surplus producing areas, prices shall be low enough to move surpluses to those deficit areas that are favorably located from the point of view of freight costs. In the deficit areas, prices shall be high enough to make sales by surplus areas possible. In all cases the intervention prices must be fixed in such a way that there is no discrimination between producers, and that cereals coming from one region cannot be offered in another region below the intervention prices applicable there.

Under this system, the differences in regional intervention prices will still be based on freight cost differentials between various markets, but not solely upon transport costs between any one trading center and the principal deficit area.

Probable effect of new system

So far, the EEC's regional grain price system is only known in its bare outlines. For instance, only 36 intervention points for soft wheat have been established, although more are still to be announced. Also, very little is known yet about the regionalization of corn prices. Therefore, only tentative conclusions can be drawn on the effects of the EEC grain price regionalization scheme. Among them are these:

- The price of soft wheat in France and Germany will generally tend to fall the further one moves from north to south. The same thing will be roughly true for barley. In Italy, soft wheat prices will decline from south to north, durum prices from north to south.
- In Germany as a whole, the intervention prices of soft wheat and barley will be much higher than in France. This, of course, is to be expected, since Germany as a whole is the biggest deficit area of the EEC, while France as a whole represents a surplus area. Also, Italy's barley price will generally tend to be higher than France's.
- The flow of intra-Community grain trade resulting from the differences in grain prices can only be roughly outlined. It seems likely that soft wheat from the surplus areas of northern France will be competitive not only in the Belgian and Dutch deficit zones but even further up the Rhine Valley as far as Cologne or beyond.

Also, French barley is likely to be competitive with German barley along wide stretches of the Rhine Valley and the adjacent regions that can be reached by river or canal transport. On the other hand, it may become very difficult for southern Bavaria to retain its traditional grain markets in the Rhine-Ruhr Valley, and outlets might have to be found elsewhere, perhaps in the Danube Basin.

Further changes possible

The possible ramifications of the EEC grain price regionalization are so manifold that they can barely be touched on at this stage. The final level of freight costs will, of course, be of decisive importance, not only for the flow of the grain trade but also for that of processed grain products and for the location of livestock production. In the light of the experience yet to be gained, the EEC price system might have to be modified after it has been in operation for one or more years.

A new publication entitled Barriers to International Grain Trade in Selected Countries, *FAR 126, will be available in May by writing to the Foreign Agricultural Service, Washington, D.C. 20250. There is no charge.*

The FOREIGN MARKET for POULTRY and EGGS

Last year world production of both poultry and eggs continued to mount, but while the expansion in the poultry industry was accompanied by a modest rise—5 percent—in the world poultry meat trade, the downward trade trend continued for shell eggs and egg products.

World poultry meat output rose again in 1964, largely because of increases in North America and those West European countries which, by tradition, are closely connected with the international poultry trade.

Broiler production accounted for nearly all of the increase. In Western Germany, the largest import market, it was up nearly 50 percent. Total West German poultry meat production in 1964 was about 305 million pounds, up about 13 percent from a year earlier, which means that German poultry producers in 1964 supplied about 42 percent of their total domestic requirements compared with about 39 percent in 1963.

In the Netherlands the expansion in broiler production was even greater, increasing nearly 55 percent over a year earlier. Broiler production was also up significantly in France, Belgium, and Denmark in 1963.

Why broiler business is thriving

The broiler boom in Western Europe can be attributed to several factors. First and foremost has been the effective insulation of the EEC (European Economic Community) market from third country competition by means of high import charges. During most of 1964 the West German charges on broilers imported from nonmembers were about 12½ cents per pound, and these charges were increased to nearly 16 cents per pound during the last quarter.

Secondly, poor sales returns on eggs in late 1963 and early 1964 influenced producers to switch from eggs to broiler production.

And thirdly, high prices for red meats have made broilers more competitive.

Today, after a temporary leveling-off, broiler consumption in West Germany is again increasing. In 1964 per capita consumption of poultry meat increased by about 9 percent to 12.6 pounds. Also, per capita consumption in the Netherlands, which is the lowest in the Community, showed a substantial increase during most of 1964.

Trade staging comeback

Following a setback in 1963, international trade in poultry meat in 1964 increased moderately. Imports into the eight major world markets in 1964 nearly equaled the 572 million pounds imported in the record year 1962.

Total West German imports of poultry meat, at 407.4 million pounds, increased about 7 percent over 1963. Among EEC member countries exporting to Germany, Dutch shipments were up about 8 percent, shipments from Belgium were up nearly 43 percent, and those from France, nearly 33 percent. Danish exports to West Germany, which had decreased only slightly in 1963 from record 1962 shipments, were down about 26 percent, to around 61 million pounds.

West German purchases of frozen poultry meat from the United States in 1964 totaled about 93 million pounds—some 20 percent higher than a year earlier but only about 53 percent of the record 174 million shipped in 1962. All of the U.S. gain was in chicken and turkey parts and in whole turkeys. None was in broilers, for which the U.S. share of the market was down from 11 percent to 9 percent.

In 1964 sharp increases in poultry meat trade with Japan were again noted. The United States continued to supply most of the market, accounting for about 11 million pounds in 1964. Also, Canada, the United Kingdom, Austria, Italy, and Peru sizably increased their poultry meat imports.

U.S. still leader in poultry trade

In 1964 the United States maintained its position as the world's leading exporter of poultry meat, with the Netherlands second, and Denmark third. U.S. exports of poultry meat in 1964 totaled about 231.2 million pounds, 11 percent over those of a year earlier but only about 85 percent of the record 271 million pounds exported in 1962.

Last year United States shipments of poultry meat went to about 80 countries and independent territories and were valued at about $61.3 million. With the exception of small amounts moved under P.L. 480, Title I, all U.S. exports of poultry meat constitute dollar sales, and all exports of this product move through regular commercial channels without benefit of subsidy.

U.S. trade with West Germany recovered slightly in 1964 from the low level of a year earlier: total poultry meat (including canned) sales totaled 99.3 million pounds. Poultry trade with the Netherlands continued to decrease: U.S. shipments amounted to slightly more than 16 million pounds compared with over 17.2 million pounds in 1963. Nearly all the U.S. poultry exported to the Netherlands is transshipped into W. Germany.

Hong Kong continued to be a good market for U.S. poultry, accounting for about 15.6 million pounds, followed closely by Canada and Japan. U.S. shipments to Peru also continued to grow, totaling nearly 6 million pounds in 1964. Other important markets were Switzerland, Austria, and the United Kingdom.

Long-term outlook uncertain

Prospects are not so good for U.S. exports of poultry meat in 1965.

Poultry production in the Community appears to have gained momentum and probably will increase faster than consumption in 1965, thus narrowing the production-consumption gap. This pickup in output is reflected in, and further encouraged by, the EEC's recent hike in levies on whole chickens to prohibitive levels (from 12.5 cents per lb. in Oct. 1964 to 18 cents by March 15, 1965). These high levies on broilers and stewers, which comprised about 42 percent of our trade with West Germany in 1964, plus the likelihood of increased competition from the Danes in the export of chicken parts, indicate that U.S. poultry meat exports to Germany may decline in 1965. Should this be the case, total U.S. exports of poultry meat may also be down.

In 1965 the U.S. Government will continue its efforts to induce the EEC to alter the restrictive policies which now so effectively insulate that market from outside competition. It will also continue to cooperate with the country's poultry industry in carrying out intensive promotional programs through the Institute of American Poultry In-

dustries, exploring fully all prospective export opportunities for increasing sales of poultry products.

Egg output mounts as trade declines

World production of eggs increased again in 1964. In the two largest Free World producing countries, the United States and the United Kingdom, output was up substantially. In Western Europe, it increased significantly in West Germany, Italy, and Spain; but in two major exporting countries, Denmark and the Netherlands, it continued to fall off, and this decline was partly reflected in 1964 export sales. International trade in shell (table) eggs was down for the fourth consecutive year.

In recent years the major market for shell eggs has been West Germany. However, shipments of eggs into the German market in 1964, totaling about 200 million dozen, were down about 15 percent from a year earlier. West German imports from Denmark were only about 40 percent of the level of a year earlier, and those from the Netherlands declined about 10 percent, although the Dutch share of the market actually increased slightly.

World trade in egg products also continued its downward trend in 1964. Imports into two of the major markets, West Germany and the United Kingdom, were substantially lower. West German imports from the United States were down to about 1 million pounds, while larger quantities were obtained from Communist China and the Netherlands.

U.S. sales hampered by EEC levies

Egg production in the United States in 1964 totaled 5.4 billion dozen, 2 percent above that of the previous year. The increase resulted mainly from a higher rate of lay, as the number of layers was about the same as in 1963. This year another increase is in prospect because the U.S. laying flock is expected to be larger and more productive.

Total U.S. exports of eggs and egg products in 1964 were valued at about $12.5 million compared with about $17.6 million in 1963.

U.S. exports of egg products have been seriously affected by the restrictive import levies applied by the EEC. The three largest markets for egg products are the United Kingdom, West Germany, and Italy, which account for 90 percent of total trade. With the imposition of the EEC regulations on eggs and egg products in July 1962, nonmember suppliers encountered highly restrictive duties into two of the largest markets.

Western Germany, the largest market, established levies on dried yolk, major U.S. export item, amounting to about 36 cents per pound, and in addition, a gate or minimum import price was established. By the end of 1964, these charges had risen to over 68 cents per pound, the equivalent of about 60 percent ad valorem. At the same time, West German imports from third countries declined sharply. In 1964 West German imports of U.S. egg products amounted to only 1 million pounds, less than 30 percent of the 1962 level.

The virtually prohibitive levies on eggs and egg products can be expected to continue in fiscal year 1966. Third country suppliers will most certainly experience a further decline in trade with the Community. However, the U.S. Government, as with poultry, will intensify its search for new markets and further efforts will be made to induce the EEC to lower the present level of protection.

Australian Livestock Numbers and Most Meat Exports at New Peaks

The 1965 outlook for Australia's livestock and meat industry is buoyant. Production is increasing, stocks are low, foreign marketing prospects are excellent, and sellers' prices at home and abroad are good.

Meat exports in 1964 were at record levels—almost 5 percent over 1963. Of the 422,000 long tons exported, beef and veal accounted for nearly 286,000 tons, mutton 67,000, and canned meat 25,000.

Market change

There was, however, a dramatic shift away from the U.S market to the United Kingdom and other European outlets. (Exports to the U.S. fell off 36.5 percent.) The pattern of overall increase, with emphasis on European outlets, is expected to continue through 1965, barring such unforeseeable events as a long drought or packing industry strikes.

"At the beginning of 1965 the Australian export meat industry is virtually looking for meat for markets, not markets for meat." This statement by Australia's Meat Board chairman epitomizes this year's bright export outlook.

Smaller slaughterings in Britain and on the Continent, coupled with a shortfall in Argentine supplies, are expected to maintain overseas demand for Australian meat at prices favorable to sellers. Excellent feed conditions in most major livestock zones, plus the strong export market for meat and wool, forced the price for feeders and breeders to near-record highs during most of 1964. Both fatstock prices and wholesale meat prices rose as a result.

No increase in shipments to the United States is in sight unless there is a reversal of current market prices.

Livestock numbers rising

Livestock numbers reached a new high in 1964, with further gains expected this year.

Sheep and lambs, as of March 31, 1964, totaled a record 165 million—up 4 percent from 1963. Strong wool prices led farmers to retain both breeding ewes and wethers, and the inventory this March will set another record.

As for beef, strong overseas demand has stimulated a buildup in herds to over 19 million. The buildup is expected to continue through 1965, barring seriously adverse seasonal factors.

While slaughter reflected these increases, and overseas demand for meat was strong, total 1964 meat production—around 1,700,000 long tons—was only slightly larger than in 1963 as cattle and sheep were sold at lighter weights.

Output of canned meat in 1963-64 showed some recovery from the sharp decline registered in 1962-63, but no substantial increase in canned meat production is expected this year because the bulk of available supplies is being attracted overseas.

Domestic consumption of beef and veal continued to increase in 1963-64, reflecting the growth in population. However, consumption has not kept pace with output, in 1963-64 remaining stable at 100.5 pounds per person.

—WILLIAM L. RODMAN
U.S. Agricultural Attaché, Canberra

Importers Note Improved Quality of U.S. Wheat Under New Standards as More Revisions Urged

The quality of U.S. wheat being exported under revised grain standards is receiving favorable comments from foreign buyers, as a USDA official urges still further improvements to make U.S. wheat more competitive in overseas markets.

Trade circles say the upgraded export quality under the new standards has resulted in a more favorable reception for U.S. wheat in foreign dollar markets. Nonetheless, "unsolved problems still remain in grain marketing," according to Assistant Secretary of Agriculture George L. Mehren, who this month in Washington, D. C., addressed the spring conference of the National Federation of Grain Cooperatives.

Typical of praise expressed by foreign buyers is a statement by Dr. W. Seibel, milling superintendent and director of products control of the Menaba Flour Mill in Rotterdam, the Netherlands.

"The new wheat standards have had a significant improving effect on the milling value of U.S. Hard Red Winter wheat we have bought for our breadflour grist. Mill employees who had no knowledge of the changes in U.S. standards reported that American wheat had become much cleaner and more uniform than in the past," the spokesman said.

Great Plains Wheat, Inc. reports that in the big European transshipping points of Bremen and Hamburg, German buyers have noted "a marked improvement in quality of U.S. wheat and are much pleased with purchases under the new standards."

In the Western Hemisphere, Ecuadoran Government and industry officials believe recent imports of U.S. Northern Spring wheat have been of the best quality in 15 years.

At the grain meeting in Washington, Secretary Mehren said, "As consumers and marketers become more quality-conscious, and as new products and new processing techniques are developed, it frequently becomes necessary to re-define grade standards. Often, if not invariably, the change is to narrower or tighter standards. The revision of the wheat standards last year was a step in this direction.

"You and I know that we produce in this country as high a quality of wheat as any other throughout the world—and moreover a type of wheat to suit every purpose. We have the technical know-how to measure quality in relation to use values.

"Trade people tell us that any buyer—domestic or overseas—can obtain U.S. wheat of the exact quality he wants by using detailed specifications. But some of our overseas customers tell us they have difficulty in getting anyone to sell them wheat on this basis—or that the premium asked is so high that they can do better elsewhere," the Secretary pointed out.

"Such are questions that producers and marketers of all farm products are facing in these days when much demand is pinpointed as to type and quality, yet production is decentralized among thousands of individual producers. The trade has the infinitely complex job of linking—and reconciling—these outposts, and doing so with both efficiency and equity.

"The fact is that while we debate the minutiae of various proposals to modify and improve our standards, the world is moving rapidly toward international standards of quality to facilitate trade around the globe.

"Of one thing, we can all be sure—pressures for increasing efficiency and reducing costs can be expected to intensify," Secretary Mehren said.

750,000 British Consumers Throng U.S. Food Displays at Ideal Home Show in London

Among 750,000 visitors to the U.S. exhibit at London's recent Ideal Home Show were these children, above, enjoying U.S. honey which—like rice, raisins, and poultry—was completely sold out. Right, American Meat Institute officials Aled Davies (r), Roscoe Haynie, and housewife.

U.S. Agricultural Techniques Studied by Luxembourg Team

Four leaders of Luxembourg's only farm organization, the Centrale Paysanne, returned to Europe April 7 after 3 weeks of intensive study at Purdue University. Courses covered the farm credit field (of increasing importance in Europe), marketing, dissemination of information about production practices, meat processing, and animal disease problems.

The trip was sponsored by the U.S. Feed Grains Council, which cooperates with the Luxembourg organization in its efforts to update the animal industry of the country. All agricultural marketing, service, and co-op interests in Luxembourg are associated with the Centrale Paysanne.

The National Renderers Association and Soybean Council of America collaborated with USFGC in arranging the study program.

Belgium and Luxembourg together buy around 1 million tons of U.S. feed grains a year. In 1964, they took some 37 million pounds of tallow and greases, and about 8 billion bushels of soybeans.

Canadians Promote Rapeseed As Feed Additive in Japan

Two Canadian scientists have just returned to Vancouver from a 3-week visit to Japan whose purpose was to convince Japanese Government officials, researchers, livestock and poultry raisers, and feed mill operators that rapeseed meal is a valuable addition to livestock and poultry rations.

The trip followed an earlier oilseeds mission to Japan when it was discovered that the Japanese use rapeseed meal only as a fertilizer on tobacco and citrus crops. Both trips were sponsored by the Canadian Trade and Commerce Department, according to Acting U.S. Agricultural Attaché John C. McDonald at Ottawa.

Research carried out at the Universities of Alberta and Saskatchewan during the past 10 years is claimed to have increased the nutritional value of rapeseed meal by at least 25 percent.

Some 75 percent of Canada's rapeseed production is exported, and of this Japan receives about two-thirds.

Spokesmen for Inter-American Cotton-Producing Countries Approve World Cotton Promotion Plan

The first international promotion and research program for cotton moved closer to reality in Mexico City, March 22-24, when representatives of North and South American cotton-producing countries approved in principal the measures proposed at a Paris meeting of world cotton interests this past November (*Foreign Agriculture*, November 9, 1964; January 11, 1965). Methods of fund raising and the program's overall administration were among the major topics discussed.

Next step will be a second regional meeting in Cairo this week of spokesmen for producer countries in Africa, Asia, and the Middle East. This should clear the way for the formal meeting on cotton promotion in Washington, D. C., May 17-19 at which time it is hoped that producer delegates will be in a position to say whether or not their governments intend to participate.

Plans are that official ratification by the governments concerned can be made in early fall. Collection of funds would then begin in January 1966 and promotion and research activities, in mid-summer.

Delegates from 10 countries plus the United States attended the meeting in Mexico City, held under the auspices of the International Cotton Advisory Committee, which represents the governments of 40 countries and meets annually to discuss issues of concern to world cotton interests.

The ICAC has been the prime mover in current efforts to strengthen cotton's competitive position in world markets that is being weakened by manmade fibers. Cotton's share of world fiber consumption has fallen from 67 percent to 57 percent in the last 10 years; at the end of the current marketing year world stocks are expected to reach a new postwar high of over 27 million bales (480 lb.).

The favorable reception accorded the program's proposals by Inter-American producers at Mexico City is seen as highly significant, since these countries account for almost two-thirds of the cotton exported to Western Europe and Japan, where promotion will be concentrated initially. One of the decisions reached in Paris was that the program would not be launched without the support of those countries whose exports totaled at least two-thirds of the West European-Japanese trade.

The Inter-American representatives generally accepted the proposed $1-per-American-bale assessment to be paid by the producing countries, provided that there was the assurance that this would be at least matched by the textile industries in the countries selected for promotion.

The meeting also produced new ideas on administration and program emphasis. In particular, the organization's governing body, the general assembly, should have a definite link with the ICAC, because it includes virtually all major cotton-producing and importing countries.

Spokesmen agreed that while promotion should be the backbone of the program, considerable funds should be expended for research—including the development of new and better cotton fabrics and continual efforts to interest fashion leaders in using cotton.

These recommendations will be considered by delegates at Cairo.

Many key issues cannot be settled until the ICAC holds its Plenary Meeting in Washington, such as setting up criteria by which a country gets a seat on the board of directors of the general assembly and the voting rights for members at large.

Rumania Eligible for Barter

Rumania has been added to the list of eligible countries to which agricultural commodities may be exported under barter transactions.

Exports to Rumania may be authorized under existing barter contracts which do not exclusively require exportation to one or more named countries, provided that the value of agricultural commodities is established on or after April 2.

Copies of a revised commodity-country list for barter exports, showing the export categories assigned to Rumania for various commodities, are available from the Office of Barter and Stockpiling, FAS, USDA, Washington, D.C. 20250.

Mexico's Wheat Crop Reduced by Frost

Severe frost damage to the wheat crop in northwest Mexico has dimmed the outlook for that country's 1964-65 wheat harvest, which begins this month. Production—earlier forecast to reach, or even exceed, the record 1963-64 outturn of 2.1 million metric tons (77,160,000 bu.)—is now forecast at 1.9 million metric tons (69.8 mil. bu.)

Wheat acreage, at 1,878,000 acres, is down 4 percent from the preceding year, but until March, record yields per acre had been anticipated. The current prospective yield is still very high, however. At 37.2 bushels per acre, it is close to the record 39.3 bushels of 1963-64 and sharply above average.

Mexico first started shipping significant quantities of wheat in the latter part of 1963, shipments in December of that year totaling 72,330 tons. Exports in 1964, were 575,905 tons, on a monthly average of 48,000 tons, and in January nearly 37,800 tons. Wheat exports in 1964 were shipped mainly to countries of the Communist Bloc. The reduced crop prospects would indicate smaller export availability from the 1965 crop.

France's Trade in Cigarettes

French imports of cigarettes declined slightly in 1964, while its exports rose to an all time high.

Imports were down to 5.0 million pounds from 5.3 million in 1963. Most of the drop was in takings from the United States—to 2.4 million pounds, or 48 percent of the total, from 2.8 million or 52 percent in 1963. Gains, on the other hand, were recorded in shipments from the five other EEC countries, their combined total reaching 1.4 million pounds compared with 952,000 in 1963.

French exports of cigarettes rose 6 percent to a new record of 5.1 million pounds. Most of them went to former French possessions in Africa, including the Ivory Coast, the Malagasy Republic, Guinea, and Senegal.

Sierra Leone's Leaf Tobacco Imports

Sierra Leone's imports of unmanufactured tobacco in 1964 rose 16.5 percent to 2.5 million pounds from the 2.1 million of 1963, thus almost offsetting the sharp drop during the past 2 years in imports of manufactured tobacco from the United Kingdom.

Larger purchases from Malawi, Rhodesia, and the United States accounted for the gain in unmanufactured tobacco. Imports from Malawi (formerly Nyasaland), the principal supplier, rose to 1,638,000 pounds from 1,581,000 in 1963. Takings from Rhodesia (formerly Southern Rhodesia), at 472,000 pounds, were 76 percent larger than the previous year's 268,000 pounds and those from the United States climbed to 229,000 pounds from 184,000.

Leaf imports from Malawi through 1964 continued to consist mainly of the dark fire-cured types of tobaccos. The type of leaf imported from Rhodesia during both 1963 and 1964 was flue-cured. Leaf takings from the United States consisted of about 70 percent flue-cured tobaccos and 30 percent burley.

Imports of all manufactured products last year totaled 262,000 pounds, or slightly above the 1963 level of 251,000 pounds but less than one-third the 1962 high of 788,000. During 1962, imports of manufactured tobacco for cigarettes alone amounted to 519,000 pounds, in contrast with only 169 pounds in 1963 and about 6,600 pounds in 1964.

Cigarette imports last year, at 245,000 pounds, were only slightly above the 1963 figure of 237,000 and substantially below the 1957 high of 690,000. The United Kingdom continues to be the principal supplier, accounting for about 90 percent of total imports. Takings from the United States amounted to 24,000 pounds, compared with 27,000 in 1963.

SIERRA LEONE'S IMPORTS OF UNMANUFACTURED TOBACCO

Origin	1962	1963	1964[1]
	1,000 pounds	*1,000 pounds*	*1,000 pounds*
Malawi	1,874	1,581	1,638
Rhodesia	---	268	472
United States	---	184	229
India	114	---	55
Canada	61	109	35
Zambia	127	---	---
Others	92	---	67
Total	2,268	2,142	2,496

[1] Preliminary; subject to revision.

Yugoslavia's Tobacco Exports in 1964

Yugoslavia's tobacco exports totaled 49.8 million pounds in 1964, compared with 37.5 million in 1963. Larger exports to the United States and Poland together with substantial shipments to the Soviet Union, which had made no purchases in recent years, accounted for most of the increase.

Exports to the United States in 1964 totaled 10.4 million pounds, compared with 7.5 million in 1963. Other leading markets last year were Poland 9.7 million, East Germany 7.4 million, the Soviet Union 6.5 million, and Czechoslovakia 5.3 million.

YUGOSLAVIA'S TOBACCO EXPORTS

Destination	1962[1]	1963[1]	1964[2]
	1,000 pounds	*1,000 pounds*	*1,000 pounds*
United States	14,344	7,478	10,392
Poland	4,382	7,579	9,654
Germany, East	5,053	6,913	7,374
Soviet Union	---	---	6,543
Czechoslovakia	1,629	4,172	5,271
France	1,226	1,450	3,084
Germany, West	903	1,870	1,748
Egypt	2,293	2,447	57
Others	4,428	5,627	5,683
Total	34,258	37,536	49,806

[1] Includes waste. [2] Preliminary; subject to revision.

Rhodesian Flue-cured Auction Prices

Auction sales of 1965-crop flue-cured tobacco in Salisbury, Rhodesia, totaled 15.4 million pounds for the first 3 weeks, ended March 24, at an average price equivalent to 39.9 U.S. cents. During this period last year, sales were 18.8 million, at an average price of 37.0 U.S. cents.

Average Dried Prune Pack Forecast for Chile

Chile's 1965 dried prune pack is estimated at the 1958-62 average of 5,700 short tons. The 1964 pack of 5,600 tons was also about average.

Exports of dried prunes during 1964 again declined, to 2,494 tons. This is the third consecutive year that prune exports have declined, in spite of average or above-average packs.

The United Kingdom in 1964 regained its traditional position as the leading market for Chilean prunes. Next largest was West Germany, which had been first in 1963. European countries, as usual, took nearly all of the 1964 exports, with the remainder going to Latin America.

End-of-March Chilean export prices (f.o.b. Chilean port) were reported as follows: 18.1 cents per pound for size 30/40, 16.8 cents for 40/50, 15.4 cents for 50/60, 14.5 cents for 60/70, 13.6 cents for 70/80, 13.2 cents for 80/90, 11.3 cents for 90/100, 10.4 cents for 100/120, and 9.1 cents for 120 and over.

CHILE'S EXPORTS OF DRIED PRUNES

Destination	1960	1961	1962	1963	1964
	Short tons	*Short tons*	*Short tons*	*Short tons*	*Short tons*
Europe:					
Denmark	948	608	760	498	338
Finland	138	32	---	---	---
Germany, West	557	399	529	938	453
Italy	164	71	33	37	65
Netherlands	550	231	343	390	154
United Kingdom	772	1,580	1,376	757	1,045
Other Europe	34	134	25	21	26
Total Europe	3,163	3,055	3,066	2,641	2,081
Brazil	---	---	4	36	37
Peru	51	287	131	107	248
Others	47	15	110	66	128
Grand total	3,261	3,357	3,311	2,850	2,494

Australian Raisin Pack Above Average

Australia's 1965 sultana pack is being tentatively estimated as between 84,000 and 90,000 short tons by Australian sources. Some other Australian sources, however, are of the poinion that the pack is less than these estimates. A pack of 84,000-90,000 tons would be well above the 5-year average (1959-63) of 70,000 tons though below last year's record crop of 94,700 tons.

The 1965 lexia pack is estimated at about 10,000 tons, exceeding both the 5-year average of 8,600 tons and the 1964 pack of 8,900 tons.

Greek Olive Production Falls

Preliminary data indicates the 1964 Greek edible olive pack will drop sharply to 31,600 short tons—down 27,400 tons from 1963. There are some indications that the 1964 estimate may be further reduced.

Adverse weather conditions, coupled with dacus fly infestation, were the major causes of the reduced pack. Central Greece and Euboeo, the main table olive district, is expected to account for roughly 67 percent of total production.

Exports of the 1964 pack are expected to drop, but not as severely as production because of a large carryover. They may total 16,500 tons as against 18,900 tons in 1963-64, when Rumania took 5,965 tons, the United States 2,382, Italy 2,059, and Bulgaria 2,017.

F.o.b. prices during the 1963-64 marketing year averaged $377.97 per short ton—approximately the same as the previous year's average of $380.87. Comparative prices in the leading foreign markets indicate Rumanian and Bulgarian markets strengthened, while U.S. and Italian prices were lower in 1963-64 than in 1962-63.

Export f.o.b. prices during March 1965 for both green and black olives were 10 to 15 percent higher than in November 1964, when green olives ranged from $386 per short ton to $499, and black olives from $367 to $454. Prices in March 1964 ran from $408 to $472 for green olives and from $354 to $472 for black olives.

GREECE'S SUPPLY AND DISTRIBUTION OF EDIBLE OLIVES

Item	Revised 1963-64[1]	Forecast 1964-65[1]
	Short tons	*Short tons*
Supply:		
Opening stocks	5,500	14,300
Production	59,000	31,600
Total supply	64,500	45,900
Distribution:		
Exports	18,900	16,500
Domestic consumption	23,600	22,800
Pressed for oil	7,700	---
Ending stocks	14,300	6,600
Total distribution	64,500	45,900

[1] Marketing year November 1 - October 31.

Argentine Raisin Pack Down Slightly

Argentina's 1965 raisin pack has been tentatively estimated at 3,800 short tons—well below the 1959-63 average of 5,100 tons, but only 600 tons below the 1964 level. Hailstorms have caused some damage to the present crop; however, a large carryover of the 1964 pack will offset the deficit.

Exports during 1965 may total 1,700 tons as compared with 2,000 tons in 1964. Five Latin American countries constituted virtually all of Argentina's 1964 foreign raisin market. Brazil, the most significant outlet, imported 1,782 tons, followed by Peru, 78 tons; Uruguay, 42; Ecuador, 42; and Colombia 27.

ARGENTINA'S SUPPLY AND DISTRIBUTION OF RAISINS AND CURRANTS

Item	Revised 1964[1]	Forecast 1965[1]
	Short tons	*Short tons*
Supply:		
Beginning stocks, January 1	100	1,300
Production	4,400	3,800
Imports	---	---
Total supply	4,500	5,100
Distribution:		
Domestic disappearance	1,200	2,100
Exports	2,000	1,700
Waste	---	---
Closing stocks, December 31	1,300	1,300
Total distribution	4,500	5,100

[1] Calendar year.

Uganda Building New Coffee Facilities

Uganda's Coffee Marketing Board recently started construction of a new warehouse and processing center in the capital city, Kampala.

Prime purpose of the warehouse, which will be completed in late 1966, is to relieve the coffee storage problem that has arisen as a result of the rapid increase in Ugandan coffee production over the last decade. Currently, a

considerable quantity of the country's coffee is stored in neighboring Kenya.

The new facility, is not expected to solve the entire storage problem, and officials are reported to be studying a Brazilian offer to collaborate in trying to solve Uganda's storage difficulties.

The new building will also contain processing and grading equipment, which is expected to make Ugandan coffee more uniform in quality and grade and, therefore, more competitive in the world market.

Vietnam Buys Tea Processing Equipment

South Vietnam has contracted to buy $280,000 worth of tea-processing equipment from the United Kingdom for delivery in November. The equipment will be used to standardize and improve the quality of Vietnamese tea, which has become the third leading export of that country.

Exports in 1964 totaled 2,200 metric tons compared with 1,995 tons, valued at $1.9 million, in 1963. Most of the exports go to the United Kingdom.

Nepal Building More Sugar Factories

With the goal of eventually becoming self-sufficient in sugar, Nepal has been greatly expanding its sugar-processing facilities.

One new factory, located in Birganj, began production at the end of January 1964, and since then has increased Nepal's refining capacity fourfold. This factory which is owned entirely by the Nepalese Government but financed and assisted technically by the Soviet Union, has a capacity of 10,700 tons of refined sugar per year.

Another, the Mahendra Sugar and General Industries Ltd. in Bhairawa, is expected to begin operations by the beginning of the next crushing season. This is a private-sector enterprise financed by the U.S.-assisted Nepal Industrial Development Corporation (NIDC); it has a planned production capacity of 7,500 tons per year.

The Government of Nepal has granted permission for the establishment of another 7,500-ton sugar factory in Nepalgany, expected to open in 1967. It will be known as Tara Sugar and General Industries and will also be in the private sector under NIDC assistance.

Several other small factories have been proposed including a 10,000-ton capacity plant for Krishnanager.

Nepal's production of sugar currently does not exceed 2,500 tons. However, after all these factories start operations, Nepal will have an additional 37,700-ton capacity for refined sugar—enough to make it self-sufficient in sugar.

Philippines Importing More Dairy Products

The overall increase in imports of major manufactured dairy products into the Philippines in the first 9 months of 1964 indicates that imports for the entire year will be substantially above those for 1963.

Milk (canned and dried) accounted for 90 to 95 percent of the Philippines dairy product imports.

Arrivals of nonfat dry milk in January-September were considerably larger than in the 1963 period, totaling 42 million pounds. Nearly half of this was supplied by the United States, and most of the remainder, by New Zealand, 17 million pounds, and Australia, about 4 million.

Imports of canned and dry whole milk were somewhat less. Canned milk imports (largely evaporated milk) were 82 million pounds, the bulk of which—58 million—came from the Netherlands. There was a marked decline in shipments from almost all other supplying countries, among them the United States. Dry whole milk imports, at 7 million pounds, came mostly from the United States and the Netherlands, each shipping 3 million pounds.

Imports of butter and cheese showed increases in this period. Butter imports were 8 million pounds, 7 million of which came from the United States. Australia, long the main source of Philippine cheese imports, shipped more than 70 percent of the 4 million pounds of cheese imported in the 9-month period. Other suppliers were the Netherlands, the United States, Denmark, and Switzerland.

Austrian Cotton Situation Favorable

The Austrian cotton textile industry consumed about 61,000 bales of raw cotton in the first 6 months of the 1964-65 season (August-January), 7 percent above the 57,000 bales used in the comparable 1963-64 period. Total consumption in 1964-65 is expected to be slightly above the 117,000 bales used a year ago.

The moderate increase in mill activity this season occurred despite the fact that the industry currently is faced with sharply rising imports of yarn and cloth, discriminatory tariffs by EEC countries on textile exports, and a reported shortage of labor. The rise in cotton yarn and cloth imports has come as a result of an import liberalization policy implemented last October which permitted a sharp increase in imports from low-wage-standard countries. Currently, the Association of Austrian Textile Manufacturers is using its influence with the government in an effort to reverse the import liberalization of last October until tariff barriers between Austria and EEC countries can be reduced or removed. Negotiations between the EEC and Austria on these problems were scheduled to commence in March.

Imports of cotton into Austria reached 117,000 bales in 1963-64, 11 percent above the 106,000 of 1962-63. The United States supplied 46,000 bales, or 40 percent of total imports, in 1963-64, compared with 38,000, or 36 percent of the total, in 1962-63.

Imports in the first 6 months of the current season amounted to 60,000 bales, compared with 55,000 a year earlier. The United States supplied about 36 percent of the total, while the remainder was obtained from Peru, Brazil, Central America, Turkey, the USSR, Sudan, Syria, Mexico, and several other countries.

Total imports this season are expected to approximate consumption, and stocks at the season's end are not expected to change greatly from the 28,000 bales on hand August 1, 1964.

U.S. Cotton Exports Hit by Dock Strike

U.S. cotton exports in February totaled only 181,000 bales, 68 percent below the 570,000 exported in February of 1964. January exports also were low at 244,000 bales, 58 percent below exports of 587,000 bales in January 1964. Exports during both months were affected by dock strikes, which resulted in all eastern and gulf ports being closed from January 10 through March 6 (March

9 at Galveston, Texas). Ports on the west coast were not affected by the strike.

U.S. exports of all types of cotton in the first 7 months (August-Feburary) of the 1964-65 season amounted to 2,154,000 running bales, 35 percent below the 3,306,000 exported in the same period a year ago.

U.S. COTTON EXPORTS BY COUNTRY OF DESTINATION
(Running bales)

Country of destination	Year beginning August 1			Aug.-Feb.	
	Average 1955-59	1962	1963	1963	1964
	1,000 bales	*1,000 bales*	*1,000 bales*	*1,000 bales*	*1,000 bales*
Austria	33	13	23	11	6
Belgium-Luxembourg	160	72	176	98	53
Bulgaria	0	0	19	0	0
Denmark	17	13	16	7	3
Finland	22	13	10	8	6
France	360	180	380	264	122
Germany, West	475	101	401	313	167
Hungary	0	0	18	2	0
Italy	416	192	441	256	185
Netherlands	124	71	127	96	43
Norway	10	10	14	10	7
Poland & Danzig	85	62	132	46	65
Portugal	28	7	35	16	9
Spain	171	(1)	14	3	13
Sweden	75	56	88	67	33
Switzerland	64	37	95	70	51
United Kingdom	525	139	286	173	75
Yugoslavia	108	113	78	4	89
Other Europe	17	3	20	4	7
Total Europe	2,690	1,082	2,373	1,448	934
Australia	54	41	91	50	31
Canada	217	271	448	230	196
Chile	35	24	2	1	(1)
Colombia	33	1	14	7	(1)
Cuba	27	0	0	0	0
Ethiopia	4	15	9	8	0
Hong Kong	134	79	187	108	33
India	184	198	314	152	65
Indonesia	30	51	20	20	47
Iraq	0	0	20	2	0
Israel	16	7	26	9	10
Japan	1,154	895	1,300	784	450
Korea, Republic of	205	236	313	184	137
Morocco	10	8	15	10	6
Pakistan	14	8	8	(1)	1
Philippines	64	108	140	68	32
South Africa	26	19	37	20	25
Taiwan (Formosa)	153	223	189	114	110
Thailand	4	22	39	25	12
Uruguay	15	0	(1)	(1)	0
Venezuela	2	5	12	11	5
Vietnam[2]	2	36	75	42	39
Other countries	27	22	28	13	21
Total	5,100	3,351	5,660	3,306	2,154

[1] Less than 500 bales. [2] Indochina prior to 1958. Includes Laos and Cambodia.

French Imports of Oilseeds, Cakes and Meals

Imports of oil-bearing materials into France in calendar 1964 were slightly below those in 1963. However there were significant changes within the total. A decline of about 95,000 tons in imports of peanuts was largely offset by a sharp increase in imports of palm kernels, flaxseed, and soybeans, the latter accounting for more than one-fifth of the total compared with only 15 percent in 1963. Rapeseed imports again declined, reflecting a larger domestic crop in 1964.

French imports of oilseed cakes and meals were up slightly from the 1963 level. This gain reflected a sharp rise in soybean meal imports, largely offset by significantly lower imports of most other cakes and meals. Soybean meal imports, virtually all from the United States, accounted for more than half the total.

FRENCH IMPORTS OF SELECTED OIL-BEARING MATERIALS AND CAKES AND MEALS

Item	1961	1962	1963[1]	1964[1]
	Metric tons	*Metric tons*	*Metric tons*	*Metric tons*
Oil-bearing materials:				
Peanuts[2]	497,658	453,821	526,895	431,448
Soybeans	81,557	142,743	143,348	192,366
Rapeseed	33,840	15,670	11,175	7,610
Copra	89,243	96,463	89,609	100,773
Palm kernels	82,581	82,129	78,895	89,897
Flaxseed	78,779	61,053	57,818	76,973
Castorbeans	10,269	26,101	31,214	25,018
Total	873,927	877,980	938,954	924,085
Cakes and meals:				
Cottonseed	21,332	45,043	40,272	28,384
Peanut	78,411	191,363	177,840	146,217
Soybean	155,452	306,146	325,503	394,410
Sunflowerseed	23,796	45,974	28,027	23,192
Rapeseed	1,546	10,615	16,872	5,200
Copra	4,145	6,211	8,389	5,100
Linseed	100,720	128,852	148,776	152,548
Castor	26,506	37,630	32,535	26,982
Total	411,908	771,834	778,214	782,033

[1] Preliminary. [2] Shelled nuts.

Canadian Rapeseed Exports Decline

Rapeseed exports from Canada during calendar 1964, at 91,041 short tons, were down by two-fifths from the 155,267 tons exported in 1963. This decline—reflecting some stock building as well as an increase in consumption—came despite a significant increase in 1964 production, to 276,700 tons from 209,000 in 1963 and 146,500 in 1962.

Although smaller exports to Japan accounted for most most of the decline, Japan was again, as in 1963, the major market for Canadian rapeseed exports, while Italy, the major market in former years, was of minor significance. The drop in exports to these countries was offset somewhat by increased movements to the Netherlands, the United States, India, Taiwan, and Spain.

Canada usually exports roughly three-fourths of its rapeseed crop. Japan has in recent years received about two-thirds of these exports.

CANADIAN RAPESEED EXPORTS

Country of destination	1960	1961	1962	1963[1]	1964[1]
	Short tons	*Short tons*	*Short tons*	*Short tons*	*Short tons*
United States	162	247	702	381	3,133
Belgium-Luxembourg	---	6,398	2,783	---	---
Finland	---	---	---	---	2,245
France	12,956	11,438	8,550	---	---
Germany, West	2,552	13,916	14,783	241	232
Italy	40,926	38,263	90,407	19,223	3,265
Netherlands	5,450	18,342	31,284	2,772	9,341
Spain	---	---	---	---	1,003
United Kingdom	2,170	2,828	1,775	1,820	2,296
Algeria	21,389	23,866	12,225	13,888	---
Japan	44,221	20,216	52,308	114,738	62,491
China, Taiwan	---	---	---	2,204	4,235
India	---	---	---	---	2,800
Total	129,826	135,514	214,817	155,267	91,041

[1] Preliminary.
Compiled from official and other sources.

India's Jute Crop Down Slightly in 1964-65

The unofficial revised estimate of India's production of jute and mesta (kenaf) for the July-June 1964-65 is 3 billion pounds. This is 3 percent below the 3,086 million pounds produced in 1963-64.

Jute output fell only slightly—to an estimated 2,340

million pounds from the 2,364 million of 1963-64—while mesta production was off sharply. The reduction in the latter crop—to 660 million pounds from 722 million—is attributed chiefly to a diversion of part of its area to jute, for which producer prices are higher than for mesta.

Jute products continued to be India's largest single foreign exchange earner, with calendar 1964 exports of jute goods of all types provisionally valued at $370 million, as compared with $328 million in 1963.

India, along with Pakistan, produces the bulk of the world's supply of jute. In contrast to Pakistan, which exports mainly raw jute, India exports most of its jute as jute manufactures.

In July-June 1963-64, total raw jute shipments were 20,917 metric tons (valued at $4.9 million), of which 90 percent went to the Soviet Union. Total raw jute exports in 1962-63 were 20,491 tons, with 8,303 tons going to the Soviet Union, 7,014 tons to Poland, and 3,435 tons to Czechoslovakia.

Exports of jute manufactures from India totaled 982,800 tons in 1963-64—an increase of 10 percent over 1962-63 shipments. Hessian cloth (burlap) and sacking were the main items shipped in both years. The United States is the principal customer for burlap, taking 42 percent of total 1963-64 burlap shipments of 612,000 tons, followed by the Soviet Union, Argentina, Canada, and the United Kingdom.

To improve the competitive position of India in the world markets, the government imposed a statutory quality control over the export of jute goods effective January 1, 1965, and is preparing standard specifications for all types of jute goods.

India's Peanut Oil Exports Decline

Exports of crude and refined peanut oil from India during 1964 totaled 57,419 metric tons, down 20,451 tons from the previous year. There were no exports of peanut oil after July 11, 1964, on which date the Government of India banned the exports of all edible oils, including peanut oil. Reasons for this ban were domestic shortages and sharp rises in prices of all edible oils.

Burma was the most important purchaser of peanut oil during 1964, taking nearly 40 percent of the total. West Germany, the Netherlands, the Canary Islands, and Morocco also purchased significant quantities. Exports of hydrogenated peanut oil (vanaspati) fell 2,012 tons in 1964.

During the last 3 years, India has exported considerable quantities of peanut oil, despite the fact that internal prices of peanut oil have been substantially above those prevailing in world markets. These exports were made possible because of the export incentives offered by the government up until the time of the ban.

In order to make Indian peanut oil attractive to foreign buyers, the government on November 26, 1962, announced that exporters of peanut and other vegetable oils would be allotted compensatory import quotas of copra and/or palm oil, depending upon the f.o.b. value of their exports. The losses incurred on exports were expected to be offset by the profits earned on imports of copra and/or palm oil, items required by the soap industry.

The exporters of peanut oil were first entitled to import copra and/or palm oil up to 50 percent of the f.o.b. value of their exports of unrefined peanut oil. Effective April 15, 1963, the percentage was increased to 60 percent. Import entitlements against export of vegetable oils were further liberalized on October 1, 1963. Those applicable to peanut oil until the ban on exports were as follows:

Item exported	*Import entitlement*
Vanaspati, crude hardened oil and refined vegetable oils, viz. refined peanut oil.	Copra and/or palm oil up to 80 percent of the f.o.b. value of exports.
Crude peanut oil	Copra and/or palm oil up to 70 percent of the f.o.b. value of exports.

Imports of mutton tallow, specified chemicals, machinery, and spare parts were also allowed by the government up to certain permitted ceilings within the import entitlements specified above.

The export incentives had been helpful in promoting exports of Indian peanut oil and vanaspati in order to earn much needed foreign exchange. The likely improved edible oil supply situation in India this year might induce the government to release specified quantities of peanut oil for export later in the year, particularly if internal prices decline.

INDIAN EXPORTS OF PEANUT OIL

Country of destination	1962	1963	1964[1]
	Metric tons	*Metric tons*	*Metric tons*
Crude and refined:			
United Kingdom	5,124	4,931	1,511
Germany, West	2,045	8,583	8,650
Netherlands	3,109	4,496	5,632
Hong Kong	6,289	3,434	861
Burma	2,387	1,960	22,785
Australia	3,309	6,111	1,944
Spain	8,801	31,320	2,802
Cyprus	1,059	3,454	1,090
Canary Islands	---	4,574	4,401
Morocco	---	1,815	3,069
Fiji	461	710	648
Aden	112	990	104
Italy	---	203	200
Formosa	---	---	1,464
Others	1,050	5,289	2,258
Total	33,746	77,870	57,419
Hydrogenated:[2]			
Italy	642	1,181	203
Aden	554	978	777
Australia	748	302	136
Fiji	97	153	243
Others	802	1,340	588
Total	2,843	3,959	1,947

[1] Preliminary. [2] Vanaspati.
Monthly Statistics of the Foreign Trade of India, Calcutta.

West Germany's Imports of Fish Oil

West German imports of fish body oil rose slightly during 1964, to 65,743 metric tons from 65,105 in 1963. The major supplier was Peru, which accounted for 49 percent of total imports in both years. The U.S. share of imports rose to 17,263 tons, or 26 percent of the total, from 11,371, or 17 percent.

Finland Contracts For More Chinese Soybeans

According to the Finnish-Communist Chinese Trade Agreement signed on March 24 of this year, the 1965 quota for Finnish imports of Chinese soybeans is 35,000 metric tons compared with the 30,000-ton quota in 1964. Over half of Finland's soybean purchases comes from China, and most of the rest, from the United States.

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India Working To Boost Its Coconut Output Even Further

India, with an estimated 1.7 million acres in coconut palms, is surpassed only by the Philippines as a coconut producer. Yet because of its huge domestic requirement, this country has had to undertake a program to expand, even more, its coconut production.

This expansion is to be achieved under the country's Third Five Year Plan (which began in 1961-62) through the Indian Central Coconut Committee's twofold program of research and development. The program includes increasing coconut plantings, setting up nursery schemes involving production and distribution of improved seedlings at subsidized prices, encouraging use of manures and fertilizers by providing easy credit and by setting up demonstration projects, and extensive pest and disease control.

Production target is 779,000 metric tons of coconuts (in terms of copra) per annum by 1965-66. Last year, output, at 700,000 tons, was 79,000 tons short of this goal.

Hindering these expansion efforts thus far have been the rootwilt and stem-bleeding diseases of the coconut palm. The two diseases together cause an abnormal nut-shedding in bearing palms, reducing the production of nuts to zero in many affected trees, while in others the nuts show poor-quality fiber and lower oil content. Over 100,000 acres of coconut palms are reported to be affected by these two diseases; it is hoped that the coordinated research work contemplated with the Food and Agriculture Organization of the United Nations might lead to a solution to this problem.

In the meantime, the main coconut-producing states—Kerala, Madras, Mysore, and Andhra Pradesh which together account for about 95 percent of total acreage—continue to absorb most of their output. In these areas, the coconut is considered to be an integral part of the population's diet, and its importance as an oil-bearing crop is secondary. Out of the total estimated output in 1964, about two-thirds was consumed as human food, as fresh nuts and in household preparations (coconut paste and other food items), and a third was crushed for oil.

Because of this small percentage going into oil production, domestic supplies of milling copra available for crushing have been inadequate. In recent years, production of milling copra, largely from the State of Kerala, has fallen short of domestic requirements by an estimated 25-30 percent. This deficit is met through imports of copra and coconut oil from neighboring countries, principally Ceylon and Malaysia.

INDIA'S IMPORTS OF COPRA AND COCONUT OIL

Item and country of origin	1962	1963	1964[1]
	Metric tons	*Metric tons*	*Metric tons*
Copra:			
Ceylon	56,921	35,707	49,569
Malaysia	21,448	28,992	4,496
Seychelles	6,393	5,422	7,012
Zanzibar	6,170	10,499	8,869
Tanganyika	---	4,466	4,129
Maldives	820	411	64
Mauritius	---	---	543
Others	7	31	214
Total	91,759	85,528	74,896
Coconut oil, Ceylon	3,085	2,623	89

[1] Preliminary.
Monthly Statistics of the Foreign Trade of India.

Imports of copra since August 1963 have been linked to exports of Indian vegetable oils and cakes under the export-promotion incentives scheme. Under this scheme, imports of copra are allowed up to a specified percentage of the f.o.b. value of exports of specified vegetable oils and cakes, whereas in the past they were allowed to "actual users" on an *ad hoc* basis.

The annual consumption of coconut oil in India is estimated at about 200,000 metric tons, about half of which is for edible purposes. The major food use is as a cooking oil without elaborate processing. Only minor quantities find an outlet in vanaspati, bakery, and biscuit preparations. The major industrial use for coconut oil is in soap manufacture where it accounts for a high percentage of the total consumption of fats and oils in soap factories and for that in cottage industries. Significant quantities are used in toilet preparations. Minor outlets of coconut oil are for illumination and as a lubricant.

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